

TRANSMITTAL AND STATE		OFFICE OF APPROVAL OF MATERIAL	1. TRANSMITTAL NUMBER: 04-002	2. STATE Arizona
FOR: CENTERS FOR MEDICAL AND MEDICAID SERVICES		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)		
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICAID AND MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE January 1, 2004		
5. TYPE OF PLAN MATERIAL (Check One): <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)				
6. FEDERAL STATUTE/REGULATION CITATION: 1902(r)(2)		7. FEDERAL BUDGET IMPACT: a. FFY 2003-2004 \$0 b. FFY 2004-2005 \$0		
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Supplement 8a to Attachment 2.6-A., page 1a		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Supplement 8a to Attachment 2.6-A., page 1a		
10. SUBJECT OF AMENDMENT: Disregard of Social Security Title II COLA until the current year Federal Poverty Guidelines have been implemented.				
11. GOVERNOR'S REVIEW (Check One): <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input checked="" type="checkbox"/> OTHER, AS SPECIFIED: <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL				
12. SIGNATURE OF STATE AGENCY OFFICIAL:		16. RETURN TO:		
13. TYPED NAME: Lynn Dunton				
14. TITLE: Assistant Director				
15. DATE SUBMITTED: February 17, 2004				
FOR REGIONAL OFFICE USE ONLY				
17. DATE RECEIVED: February 24, 2004		18. DATE APPROVED: May 14, 2004		
PLAN APPROVED - ONE COPY ATTACHED				
19. EFFECTIVE DATE OF APPROVED MATERIAL: January 1, 2004		20. SIGNATURE OF REGIONAL OFFICIAL: Pat Daley for Linda Minamoto		
21. TYPED NAME: Linda Minamoto		22. TITLE: Associate Regional Administrator Division of Medicaid & Children's Health		
23. REMARKS:				

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: ARIZONA

- II. Except for ALTCS eligibility, including individuals approved for ALTCS acute care services under 1902(a)(10)(A)(ii)(I) of the Act, the following income method applies to aged, blind or disabled individuals covered under 1902(a)(10)(A)(ii)(I) of the Act.

The State shall disregard the amount equal to the difference between 100% of the Federal poverty guidelines (as revised annually in the Federal Register) for an individual or a couple and the corresponding Federal Benefit Rate. (The disregard shall be applied by using 100% of the FPL for an individual or a couple as the income standard.)

When applying this disregard, if the individual or the individual's spouse has earned income, the \$20 and \$65 disregards shall apply according to SSI methodology, but not one-half of the remainder. If ineligible because the one-half of the remainder disregard is not allowed, eligibility shall also be determined using the FBR as the income standard for the individual or couple, allowing the \$20, \$65, and one-half of the remainder disregard according to SSI methodology.

In determining the income of an individual who is receiving Title II (Social Security) income, the State shall disregard the amount attributable to the cost of living increase in the level of monthly income payable pursuant to section 215(i) of the Act, from January until the State implements the Federal Poverty Guideline for the current year.

- III. The following income method applies to TWWIA individuals covered in Sections #24 and #25 on ATTACHMENT 2.2-A, page 23d under 1902(a)(10)(A)(ii)(XV) and (XVI) of the Act. The State shall follow SSI computation rules with the following exceptions:

- The State shall disregard the unearned income of the applicant/recipient.
- The State shall disregard the earned and unearned income of the spouse and/or any other family members including a deduction for a minor child.

* More liberal methods may not result in exceeding income limitations under section 1903(f)

** A child is a person, as defined in 20 CFR 416.1856, who is a natural child or adopted child of the applicant/recipient or his or her spouse.